

Talking Points: Local Public Financing and SB-760

PURPOSE: Senate Bill 760 gives larger cities and counties in North Carolina the authority to sponsor a public financing program for their local elections. It also clarifies that a donation to a candidate from a local public financing program is not subject to the normal \$4,000 limit.

North Carolina is not a “home rule” state, so local governments need specific authority (“enabling language”) from the State before they can use local resources for such a program. The bill grants this authority to cities with over 40,000 people and counties over 80,000.

NO STATE BUDGET IMPACT: No money from the N.C. General Fund or other state funds is used; the bill has no impact on the state budget. Local governments would have to figure out their own method to finance a program.

WHY SB-760 IS NEEDED: Spending in local elections has soared in many localities across the state, discouraging candidates and voters and threatening to create a wealth barrier for who can run for office. Concerned citizens and elected officials are looking for effective solutions, but their options are limited without SB-760.

- The Town of Cary developed a public financing program for town council elections, and put it into practice, but the State Board of Elections and courts ruled that it did not have authority to make payments to candidates above \$4,000.
- A taskforce appointed by Asheville’s mayor concluded that it was fruitless to study public financing because it wouldn’t have authority to implement a program.
- A subcommittee of the Chapel Hill Town Council, appointed in 2003 to study a public financing option for city elections, has not met because it is waiting to see if SB-760 passes.

POSITIVE MODELS: About a dozen cities and counties around the nation have adopted public financing programs as a way to hold down spending, provide candidates with an alternative to the depressing money chase, and increase participation in elections.

Tucson has the oldest program (begun in 1987), with the highest participation of candidates (over 90%). The Tucson program costs just 22 cents per resident per year. Most of the programs are in larger areas or university towns (e.g., Austin, TX; Boulder, CO; Dade County, FL; New York City; Long Beach, Los Angeles, Sacramento, and San Francisco, CA.)

BIPARTISAN STATE SUPPORT: SB-760 was introduced by a bipartisan group of Senators, 5 Republicans and 12 Democrats. It combines an interest in local control – giving local governments authority to develop solutions – with an interest in keeping elections accessible to ordinary people. Localities are the laboratories for innovation; we can all learn from the experience of local governments.

The town councils of Cary and Chapel Hill have told their legislative representatives that passage of SB-760 is a priority for 2004. Dozens of other local officials have endorsed legislation to authorize local governments to enact public financing programs.

It is unlikely that more than a small number of N.C. localities would sponsor public financing programs; SB-760 at least allows a local government to evaluate this option.